

**TIGARD WATER DISTRICT
BOARD of COMMISSIONERS MEETING**

Serving the Unincorporated Area

**Monday, January 23, 2006
7:00 p.m.**

Members Present: George Rhine, Janet Zeider, Marc Delphine (7:04), Charles Radley and Beverly Froude

Staff Present: Dennis Koellermeier, Twila Willson and Joy Koss

Visitors: Kinton Fowler, Lisa Hamilton Treick and Barb Sherman (Tigard Times)

1. Call to Order, Roll Call and Introductions

The Tigard Water District Meeting was called to order by the Chairperson, Commissioner George Rhine, at 7:03 p.m. Staff called roll and introduced Joy Koss. All board members were in attendance.

2. Approval of Minutes – October 24, 2005

Commissioner Janet Zeider motioned to accept the minutes, Commissioner Beverly Froude seconded the motion, and the board voted unanimously to accept the minutes of the October 24, 2005, meeting as presented.

3. Visitor Comments

Kinton Fowler, in charge of the Bull Mountain City incorporation, was present to notify the water bureau of their intentions. A feasibility study is currently underway by the same consultant used for the new city of Damascus. The study needs to be presented to Washington County by the May 1st to meet requirements to get on the ballot and have public hearings.

4. Resolution – Desire to Declare a Portion of the Canterbury Site as Surplus Property and Donate it to the City of Tigard for Use as a Park Site

Mr. Koellermeier presented a draft resolution for the Board to consider and displayed a map that outlined the surplus portion of the Canterbury Site. He explained the request from the Intergovernmental Water Board (IWB) and City Council at their last joint meeting, to consider property not being used for water purposes for use as parks. He talked to the city attorney about the necessary process to follow and briefed the IWB on those issues. Highlights of the board discussion included the following points:

- This property (recorded under the name of the Tigard Water District) is clearly identified in the intergovernmental agreement (IGA) as property inside the incorporated city limits
- Assets were originally divided into two asset groups: assets used on a daily basis to provide water and all the other assets
- City Attorney suggested the first step of this process was for the Board to declare that portion of property surplus which clearly puts it in the second group of assets.

Mr. Koellermeier referred to Commissioner Radley's e-mail on Monday and said he understands his concerns on the issue. He said explained that the process started when the Council directed the Parks and Recreation Advisory Board (PRAB) to begin a process of identifying potential properties for park improvements in the Tigard City limits and the unincorporated area. That process included an analysis of identifying neighborhood parks as walkable within a half mile radius. Canterbury site was identified through the radius study.

Mr. Koellermeier reported on the current property and it's use:

- He suggested the Board consider that this site has not been used for water purposes for over 20 years
- Nothing in the water master plan (through 2040) indicates that any additional water facilities would be located there
- Our hydrogeologist said putting another well on this property is very unlikely. Wells have to be sited far enough apart so the activity of one well does not create interference and affect the hydrology on the other well.
- Two reservoirs on site
- A well building on site
- The old water building is currently being used for storage of surplus records
- Bins (for gravel, broken concrete, bark dust, etc.) used as a satellite facility by the entire Public Works operations
- Storage of a large portable restroom until spring (generally at Cook Park)
- The communication tower will be located in that area also
- Outside of this specific improved area lies an unimproved right-of-way with trails
- Christmas trees that are now about 35 ft. tall
- The gradient might be a 10-12 ft. slope across the whole thing
- The reservoir is at the 410 elevation and the water system has too much storage at this elevation; issues with storage are at some of the other elevations
- Not aware of interest in the property for any other purposes from the district
- Has not been approached about any interest in selling to a commercial developer
- Believes the property is residentially zoned; would have to research the various things that could be built there
- Property's size is approximately 2.5 acres

If the Board declares this property as surplus, then staff would move ahead and get a legal description for the property. Mr. Koellermeier recommended making a physical land partition of the property creating two parcels and a dividing property line. At that point it would be easy to do a deed name change on the property.

The Board's further discussion included the following comments they felt were warranted before making a conclusive decision:

- The issues that are questionable in the Intergovernmental Agreement (IGA) should be settled
- Intergovernmental Water Board should clarify what words mean what, e.g., what an asset is, who the assets belong to and if there is a sale or merger, what happens to the underground assets and the above ground assets.
- Investigate what the market value of the site is today
- Figure out what the market analysis is, preferably without spending money on an appraisal until issues are cleared up, such as who owns it, whose names are on the title, etc
- Suggestion to have the City Attorney prepare an explanation of the Agreement or come to a meeting so the Board could ask him questions.
- Suggestion to hire independent legal advice
- Determine what the asset is and is it the TWDs
- What options are there as opposed to just donating the property; perhaps lease the site
- Proposed having an independent attorney look at the IGA

Commissioner Rhine opened the meeting for Public Comment:

Lisa Hamilton-Treick, resident of the unincorporated area of Bull Mountain, was concern about the surplus property issue and her research shows the TWD as title owner of the Canterbury site. The failed annexation and current effort to incorporate the area as a city changes the whole idea of dissolving these resources or turning them over to someone else. She personally does not want to see these assets disposed of at this time. She would strongly favor leasing these assets to the city for \$1 a year. It would serve the publics good and protect this area as an asset the Tigard Water District.

She requested an attorney, representing the interests of the TWD resident rate payers, look at this IGA from the perspective of representing long-term interests. It is great to make it a park and is a responsible use of the land; she supports the historical society. The property could be used for weddings, fund raisers or other events in the area and does not need to be sold or donated for it to serve the greater good of Tigard She presented the board with a letter dated that day, which is part of the office file)

There were no other public comments.

Recap Discussion and Comments:

- If the site was leased to the City of Tigard for \$1, the City of Tigard would be responsible for any and all costs associated with the creation of a park facility on the Canterbury surplus property. The Board would not bear any costs for surveying or the actual improvements to the park.
- If is the site were leased versus donated, the lease would outline how costs and responsibilities were set up.
- Still some unresolved issues in terms of how this relates to the actual IGA, regardless of what the state says in terms of ownership, etc.
- Instructed Mr. Koellermeier to get someone to review the Agreement. Commissioner Froude will furnish two names of attorneys. Mr. Koellermeier would generate some

names and if any other board members have an attorney with experience in water districts and assets, they should share those names.

- Suggested a small committee or have the Chair interview attorneys.
- No real urgency in resolving these issues, but it was resolved to keep a little bit of inertia in getting the answers to this issue.
- Construction of a park involves summer related work issues, therefore, a timeline of three months to the next meeting was suggested to give adequate time to retain an attorney and have an opinion written that answers to the Board's questions.
- This Agreement affects all the assets, not just this property
- Legal counsel should define where the Board makes decisions, where the IWB makes decisions and where joint decisions are required.
- Mr. Koellermeier was instructed to provide an additional explanation of what the 40-year plan is and why this property is surplus. Mr. Koellermeier said might bring the authors of the 40-year plan and the consulting engineers to explain that logic.
- Commissioner Radley reviewed all points detailed in his letter.
- Mr. Koellermeier will provide signed copies of the agreements with the other IWB agencies.
- Commissioner Rhine and Mr. Koellermeier will interview several candidates for gaining legal advice on this issue
- Clarification of assets, as used in the IGA, needs to be defined.

5. Water Supply Update – Dennis Koellermeier

A copy of the PowerPoint presentation made by the Joint Water Commission (JWC) to the IWB was distributed.

Joint Water Commission (JWC) – In March the draft Environmental Impact Study will be completed for review. There will be a six-month process to take public comments followed by a decision by the IWB about further participation. There are still some questions regarding assets.

Costs are going up; reliability is going down. The project continues to be almost 100% locally funded and contribution from the federal government has been minimal. Tigard's share of the project is approximately \$200m and out of our financial range. This option will be extremely expensive; probably more than any other option. A decision will be pending in the fall.

Portland – The City of Portland wants a decision on the new contract in May. Wholesalers are waiting until pricing is available in March.

Lake Oswego – Both City Councils (Lake Oswego and Tigard) will be considering joining into an Agreement for the next phase negotiations. It appears our costs for that piece of planning work will be \$50,000 to \$75,000 and we expect to see those results by September or October.

Willamette River – Tualatin Valley Water District Board (TVWD) will have an election about going to the Willamette River in May. Sherwood has won their vote and they are moving ahead with a construction project to build a pipeline and reservoir about mid-way between Sherwood and Wilsonville. As members of the Willamette River Water Coalition, they have to offer all the partners an opportunity to partner in the project

Between May and December of this year, Tigard must make decisions about where to proceed and where to back away from. Interesting times in the water business.

EIS with JWC will be two levels of dam raises. The lower raise would eliminate some of the partners.

The deadline for renewal of the contract with Portland is May, however they have indicated a willingness to continue negotiations if we are unable to make a decision by that time.

6. IWB Update - Beverly Froude

Commissioner Froude said the IWB discussed ownership of the Tigard Water District building and the sign on the building.

Mr. Koellermeier commented that consultants have been looking at the space analysis feasibility of combining Public Works employees (now in three buildings) into one building, the Water Building, however, there is not enough room to get everyone under one roof. Tentative improvements to the building need to be made (minor remodeling -- not changing the structure) and some of the PW employees moved into the building. Staff will be looking for a new facility nearby to house the entire operation in the future. Improvements to the Tigard Water District building have been budgeted for in the amount of \$400,000 to \$500,000. An explanatory memo is being prepared by the Finance Department for the IWB and staff will make a copy of that available to the TWD. Divisions other than water will pay their proportional share of both capital and operational costs.

There is an issue regarding the sign, which has missing letters, and how to identify the building, which is widely known as the water building. Several proposals have been made, such as "Water Building", Tigard Water, or Tigard Public Works. The goal is not to upset the District or make a power play for Tigard Water, but to deal with a sign that is being torn apart and put up a sign that represents use of the building today by creating a happy solution. Mr. Koellermeier suggested peeling off the misspelled words and table the decision to name the building until the asset ownership issue has been resolved.

Commissioner Rhine was not sensitive to the building name, but did not think it should look run down. As long as citizens look at the sign and know where they are going, that was fine.

7. Water Related Educational Information Update – Marc Delphine

Commissioner Delphine started a bidding process for a graphic designer and worked with Wynne Wakkila to make a selection. This should not be a campaign or persuading process, just factual educational information on water. Water related educational information is in the process of being worked on, but not completed. He will have a draft for the next meeting. The goal is to educate people before they vote in the next election. Mr. Koellermeier stated the deadline for getting on the November ballot will be in September.

Commissioner Delphine stated the reason for the educational push is because the Portland contract ends in 2007. He welcomed help from other board members and ideas they may have.

8. Non-Agenda Items

Commissioner Radley referred to the city incorporation efforts on Bull Mountain mentioned in the appendix of his letter. A report stating the five options is available on the web. If a new city was formed on Bull Mountain, it would not have a water or a public works department and may elect to continue to work through the Tigard Water District for a period of time. Commissioner Rhine reminded Commissioner Radley that the TWD represented the unincorporated area of Washington County only. Items to discuss with the attorney should include the process of adding a new entity to the IWB.

9. Set next meeting date – April 24, 2006, at 7:00 p.m. – Beginning of Budget Process

No additional citizen members are needed for the Budget Committee. Commissioner Rhine said the Board would select a budget officer and reaffirm the appointment of the Budget Committee.

The next meeting will be in the Community Room at TVFR or possibly the Library conference room as an alternate site.

10. Adjournment

At 8:20 p.m. Commissioner Delphine motioned to adjourn the meeting, Commissioner Zeider seconded the motion and the board's vote to adjourn was unanimous.

Twila Willson
Twila Willson, TWD Recording Secretary

Date: 4/26/06